

**WASHINGTON, DC** - U.S. Rep. Charlie Melancon joined a majority in the House of Representatives to approve the Student Loan Sunshine Act, bipartisan legislation that would clean up the relationships between student lenders and colleges. With evidence mounting of conflicts of interest and other unethical practices in the student loan industry, Rep. Melancon said today that this bill was urgently needed to better protect students and families who are working hard to pay for college from abuses within the student aid system.

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**"With more and more students and families in south Louisiana taking out loans to pay their skyrocketing tuition bills, it is important that we fight corruption in the student loan industry and restore accountability to the programs,"** said Rep. Melancon. **"Students and their families need to be able to trust that college officials are acting in their best interests and are helping them make the most informed and financially sound decision about their student loans."**

Rep. Melancon continued, **"The Student Loan Sunshine Act will cut unethical ties between schools and private lenders, give students full and fair information about their loan options, and put colleges firmly back on the side of their students. I am pleased it passed the House with such strong bipartisan support, and I urge the Senate to quickly pass it as well."**

Investigations at the federal and state level and by news organizations over the last several months have highlighted a number of unethical practices in the student loan industry, such as lenders offering gifts or other inducements to college financial aid offices in exchange for higher loan volume.

House Democrats first introduced the Student Loan Sunshine Act in February, and are currently conducting investigations into the conflicts of interest and relationships among lenders, schools, and public officials responsible for running federal student aid programs. The legislation passed by the House today was expanded to fully address the egregious practices that had been unearthed since the Sunshine Act was first introduced.

The Student Loan Sunshine Act would prevent these practices in the future by taking the following steps, among others:

- Requiring institutions and lenders to adopt strict codes of conduct that adhere to specific guidelines;
- Banning all gifts, participation on advisory boards, and risk-sharing agreements between lenders and schools;
- Requiring institutions to disclose all relationships with lenders;
- Only allowing "preferred lender lists" on campuses with strict assurances that the list was created with the students' best interest in mind;
- Ensuring that students have access to all lenders of their choice, including those not on the preferred lender lists;
- Banning staffing of school financial aid offices by lenders;
- Ensuring that schools process all loans, from any lender, and do not steer students away from their first choice;
- Giving students full and fair information when taking out and repaying loans; and
- Protecting students from aggressive marketing practices.

For more information on the Student Loan Sunshine Act, [click here](#).

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